

## Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 TRSE-00 AID-05 CIAE-00 COME-00

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 256

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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EO 11652: NA

TAGS: EFIN, IN

SUBJ: INDIA'S FOREIGN EXCHANGE RESERVES

REF: NEW DELHI 7261

SUMMARY: INDIA'S FOREIGN EXCHANGE RESERVES WERE  
\$1,405 MILLION AT END-APRIL 1975 AND ARE ESTIMATED  
BY THE EMBASSY TO BE \$1,238 MILLION AT END-JUNE 1975.  
NET OF BORROWING FROM THE IMF, THE END-JUNE FIGURE  
IS \$618 MILLION. END SUMMARY.

1. OFFICIAL INDIAN DATA ON RESERVES FOR THE MONTH  
OF APRIL 1975 SHOW RESERVE BANK OF INDIA (RBI) HOLDINGS  
OF: (A) FOREIGN EXCHANGE OF RS. 6.52 BILLION (\$816  
MILLION BASED ON END-APRIL DOLLAR-STERLING CROSS RATE  
IN LONDON MARKET OF RS. 7.99 EQUAL \$1.00), AND  
(B) GOLD OF RS. 1.83 BILLION (\$302 MILLION AS  
MEASURED BY THE US DOLLAR/SDR TRANSACTIONS VALUE AT  
END-APRIL). ACCORDING TO JULY 1975 INTERNATIONAL  
FINANCIAL STATISTICS (IFS), INDIA'S SDRS HOLDINGS AT  
END-APRIL WERE \$287 MILLION. TOTAL RESERVES AT END-  
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APRIL 1975 THUS TOTALED \$1,405 MILLION.

2. ONLY INCOMPLETE DATA ARE AVAILABLE PAST APRIL. ACCORDING TO THE RBI'S WEEKLY BALANCE SHEET, THE RBI ON JUNE 27, 1975 HAD FOREIGN EXCHANGE HOLDINGS OF RS. 5.51 BILLION (\$652 MILLION BASED ON DOLLAR-STERLING CROSS RATE IN LONDON AT END-JUNE OF RS. 8.45 EQUAL \$1.99).

3. INDIA'S GOLD HOLDINGS AS AT END-JUNE 1975 CONTINUED TO BE LISTED BY RBI AS RS. 1.83 BILLION (\$304 MILLION AS MEASURED BY THE US DOLLAR/SDR TRANSACTIONS VALUE AT END-JUNE).

4. HOLDINGS OF SDRS WERE \$282 MILLION AT END-MAY ACCORDING TO IRS. ASSUMING NO CHANGE IN THE NUMBER OF SDRS HELD BY INDIA SINCE END-MAY, THE DOLLAR VALUE OF INDIA'S SDRS HOLDINGS AS AT END-JUNE IS ASSUMED TO CONTINUE TO BE ABOUT \$282 MILLION. TOTAL RESERVES AS AT END-JUNE, THEREFORE, ARE ESTIMATED BY EMBASSY AT \$1,238 MILLION. NET OF FUND CREDIT OF ABOUT \$620 MILLION, RESERVES ARE \$618 MILLION.

5. COMMENT. INDIA'S RESERVES AT END-JUNE 1975 HAVE DECLINED BY \$87 MILLION FROM THE END-DECEMBER 1974 LEVEL OF \$1,325 MILLION.  
SAXBE

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## Message Attributes

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